GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1793
ANSWERED ON:10.03.2017
Operation Clean Money
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has initiated "Operation Clean Money" for verification of large cash deposits and if so, the details thereof along with the objectives behind the move;

(b) whether the Government has identified 18 lakh persons whose cash deposits during the demonetization period were not in line with the tax returns filed by them and if so, the details thereof;

(c) whether as part of the initiative of the operation clean money, the Government has sought detailed response from these 18 lakh persons through its e-filing portal to avoid notice and enforcement action under the Income Tax Act;

(d) if so, the details thereof and the response received thereon along with the action taken in this regard; and

(e) whether the Government proposes to initiate action against persons who have failed to respond and if so, the details thereof along with the punitive action taken/proposed to be taken against such persons?

Answer

(a): Income Tax Department (ITD)has initiated "Operation Clean Money" on 31st January 2017 to leverage technology and data analytics for e-verification of cash deposits made during the demonetization period i.e. 9thNovember to 30th December 2016 to reduce compliance cost for the taxpayers and optimise Government resources.

(b): ITD has identified 17.92 Lakh persons whose tax profiles were not in line with the cash deposits made by them during the demonetization period.
(c): As part of the initial phase, the ITD has sought online response as per pre-defined parameters on source(s) of cash deposited by17.92 Lakh persons through its e-filing portal.
(d): More than 12 lakh responses have been received from 8.38 lakh distinct PANs/persons which are under verification. In case explanation of source of cash is found justified, the verification is closed. The verification is also closed if the cash deposit is declared under Pradhan Mantri Garib Kalyan Yojna (PMGKY).
(e): Appropriate action in non-compliant cases is taken as per law, which includes searches, surveys, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable.